

**DECISION**



PL II 30565  
**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

**FILE:** B-218072.2 **DATE:** March 4, 1985

**MATTER OF:** Continental Lumber Co., Inc.--  
Reconsideration

**DIGEST:**

Exclusion of a defaulting successor to a contractor from bidding on the resale of the defaulted timber sales contract, pursuant to Forest Service regulations, is not improper.

Continental Lumber Co., Inc. requests reconsideration of our decision in B-218072, Feb. 8, 1985, 85-1 CPD ¶ \_\_\_\_\_. In that decision, we dismissed Continental's protest of its exclusion from bidding on the resale of Forest Service timber sale Contract No. 000021.

We found that Continental had previously defaulted on the contract, and that Forest Service regulations specifically permitted the exclusion of a bid from a contractor who had defaulted by failing to cut the designated timber by the contract termination date. Continental asks us to reconsider our decision because Continental was not the original purchaser under the defaulted contract, but only a third party to the agreement.

Continental states, and the Forest Service confirms, that the contract was originally awarded to Edward Hines Lumber Company. However, the Forest Service advises that between the award of the contract to Hines and the default, Continental purchased Hines, assuming its liabilities and contracts and becoming a third party to the subject contract.<sup>1/</sup> Hines then ceased independent operations, and

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<sup>1/</sup> 36 C.F.R. § 223.114 (1984) allows a third party to acquire the rights of a timber sale purchaser where the third party is acceptable to the Forest Service and assumes, in writing, all of the obligations to the Forest Service under the uncompleted portion of the timber sale contract.

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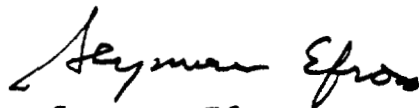
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all business was thereafter carried out under the name and management of Continental.

The Notice to Bidders contained in the resale solicitation stated that the timber included in the sale was timber remaining from an uncompleted timber sale contract and that at the time the original contract was terminated, the Forest Service "had approved operation of the sale by a third party," Continental Lumber Company. The solicitation specifically provided that bids from Continental and its affiliates would not be considered.

Accordingly, Continental was not eligible to bid on the resale of the timber and was properly excluded from consideration.

Our prior decision is affirmed.

A handwritten signature in cursive script, reading "Seymour Efros".

Seymour Efros  
Associate General Counsel